



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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May 23, 2013

The Honorable Mike Gatto, Chair
Assembly Appropriations Committee
State Capitol, Room 2114
Sacramento, CA 95814

Dear Assembly Member Gatto:

Assembly Bill 1412 (Committee on Revenue and Taxation) is set for hearing in the Assembly Appropriations Committee on May 24, 2013. **Sponsored by the Board of Equalization (BOE)**, this bill, **as proposed to be amended**, authorizes a retailer to make an irrevocable election to assign the right to receive a refund of excess tax reimbursement in the amount of \$50,000 or greater to a single customer so that the BOE may make a direct refund to the customer.

More efficient method. Under current law, when a customer overpays sales tax reimbursement to the retailer, the customer must obtain a refund of the sales tax directly from the retailer. Current law allows the BOE to issue a refund only to the retailer, and requires the retailer to return the excess tax reimbursement to his or her customer. Issuing a refund directly to the customer would shorten the refund payment process by approximately two to three months, as there would be no additional processing performed by the retailer.

Reduces the retailers' workload. In the specific instances allowed by this bill, retailers will not be required to issue refund checks, answer as many customer telephone calls, or maintain as many records of the transactions.

If you have any questions or need additional information regarding this bill, please contact our Legislative Counsel, Michele Pielsticker, at (916) 322-2376.

Sincerely,



Cynthia Bridges
Executive Director

CB:ap